



FOR IMMEDIATE RELEASE

June 23, 2006

FACT SHEET

SANDERS' GOLF PLAN INCREASES PUBLIC ACCESS, IMPROVES CITY GOLF COURSES

5 YEAR GOLF PLAN SET TO GO BEFORE COUNCIL MONDAY

Mayor Sanders' 5 Year Plan for the operations of the City's golf courses will be considered by the City Council on Monday. Among the many other benefits, the Mayor's plan:

- **Greater Public Access and Equity:** Adds 15,000 additional rounds of golf for San Diego residents at Torrey Pines yearly. Residents will enjoy 70% of the total tee times at Torrey Pines versus 30% for visitors.
- **Curbs Vested Interests:** Cuts the preferential tee times given to vested interests such as hotels, clubs and brokers.
- **Improvements to All 3 Courses:** The Mayor's plan makes \$36 million (through 2020) in necessary capital improvements at all three City golf courses. Visitors, not City residents, pay for these capital improvements.
- **Creates a New Reservation System:** Residents will find it easier to book their tee times, including advance tee times. The money previously pocketed by brokers will now flow to the City.
- **A Financially Responsible Plan:** Green fees will be increased but only to cover costs; each course should be self-sustaining. Residents will only pay for the cost of a round of golf; visitor fees will be higher to also cover the improvements to the courses.

SANDERS ON HILTON LAWSUIT:

The Mayor strongly believes that the issues raised in the lawsuit against the Hilton are completely, 100% unrelated to those addressed in the 5 Year Golf Plan. The Mayor believes that the lawsuit should proceed and that a court should rule on the issues raised by Mr. DeYoung.

Mayor Sanders will not support a settlement that confuses the issues and perverts the tenets of his 5 Year Golf Plan, principally affording greater public access. The proposed settlement was negotiated without his knowledge or consent and he does NOT support it.

MAYOR'S 5 YEAR PLAN OUTLINE

Tee Time Allocation:

- 70% Resident:
 - Daily public golfers – phone system and walk up (63% of total allocation)
 - Tournament Golfers – pre-booked through Staff (2%)
 - Golf Clubs (Men's and Women's each 2.09%)
- 30% Non-resident
- Resident Allocation Changes:
 - To increase play for all City residents, Men's and Women's Club play will be limited to two tournaments per month at Torrey Pines (at 70% rate reductions).
- In addition, supplemental tee time agreements with hotels were not renewed, and Club Corp. returned its times.

<p>Result: 15,000 additional rounds at Torrey Pines will be available to all City residents.</p>
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Greens Fees:

- Greens fees for residents will cover the costs of operating the course. Rates shall cover the costs for course maintenance and administration only.
- Non-resident greens fees will cover maintenance, administration, debt, and all capital costs, and will continue to help subsidize residents' greens fees.
- The Plan maintains Discounted Greens Fees for Resident Seniors at All Golf Complexes.
 - Resident Seniors will receive a 30% discount on all week day greens fees
- Junior Rates: to grow the game of golf, resident junior rates for the monthly ticket will not increase during the life of the Mayor's Five-Year Business Plan (current rates are \$10.50 per month).

Advance Reservation Process:

- Currently, brokers book advance tee times for golfers. This has resulted in many significant negative customer service issues and lost revenue to the City.
- The plan proposes to address this need as follows:
 - The system will allow patrons to confirm an individual tee time up to 90 days prior to play.
 - All tee times will include a booking fee.
 - Individual bookings will be limited to two tee times per week.
 - Booking fees will cover administration costs and advertising.

- The proposed process will be administered by existing staff.

Priority Capital Improvements Projects:

The Mayor's Plan includes over \$36 million in improvements to all three City Golf Courses as follows:

- Balboa Park (Total needs by 2020: \$13,550,000)
 - Clubhouse roof replacement - \$100,000 FY 2007
 - Irrigation system upgrade to the 18 hole course - \$1,200,000 FY 2008
 - New Clubhouse and parking lot upgrades - \$8,500,000 FY 2011-2013
- Mission Bay (Total needs by 2020: \$4,375,000)
 - Upgrades to the existing restaurant – \$400,000 FY 2007& FY 2008
 - Irrigation system upgrades – \$900,000 – FY 2007 &2009
 - Driving Range Improvements - \$1,000,000 FY 2009
- Torrey Pines (Total needs by 2020: \$17,650,000)
 - Parking lot expansion and upgrade – \$5,000,000 – FY 2007

The Mayor's Plan includes a long-term capital improvement program to preserve and enhance all three City golf courses for future generations to enjoy.

Torrey Pines Country Club Clubhouse Project:

- The Mayor does not support the financing of a new clubhouse during this 5 year business plan. The Mayor does support parking lot improvements prior to the U.S. Open.

BACKGROUND

In June 2001, the City Council adopted the first five-year Business Plan governing the operation of City-maintained golf facilities. The plan outlined key issues facing the daily operation of the three City golf complexes. The plan also outlined key capital needs and established the green fee structure for the five years covered by the plan. During the five years of the plan, several key changes occurred in the Golf Division of the City's Park and Recreation Department.

Some of these changes included:

- Torrey Pines Golf Course being selected for the 2008 U.S. Open
- The City assuming operational responsibility for the Mission Bay Golf Complex following the expiration of its 50-year lease
- Completion of a comprehensive audit at Torrey Pines resulting in updates and improvements to inventory tracking, cash handling procedures and other operational and customer service standards

During the preparation of the Mayor's five-year business plan, Golf Operations staff has worked with the Golf Advisory Council (GAC) to seek input on the formation of the plan. This input from the GAC began in October 2005 with the formation of the business plan principles and has

continued monthly as the plan has evolved. In all, City staff met five times with the GAC to discuss the principles and specifics of the proposed business plan.

Primary Goal of the Five-Year Business Plan: Open Golf Courses, More Access for Residents

The primary goal of the Mayor's plan is to provide a guideline for Golf Operations over the next five years. During this time, the Golf Division will:

- Address the significant revenue shortfall at Balboa Park
- identify plans to address the maintenance deficiencies at all three facilities
- reduce the backlog of facility deferred maintenance
- provide funding for several much-needed capital improvement projects

In general, the plan must maintain a Golf Enterprise Fund that addresses many operational needs while establishing clear policies and procedures that ensure the long-term financial sustainability of the fund.

City staff has worked with many City departments, as well as private consultants, regarding the development and review of the proposed business plan. This collaboration has added diversity of experience and knowledge to the process and has resulted in a plan that attempts to consider all of the many short- and long-term aspects of golf course management and operation. The Mayor's plan addresses many of the existing system deficiencies and allows for the long-term enhancement of all three complexes.